

The Director of Central Intelligence

Washington, D.C. 20505

Executive Registry

77-79091A

Intelligence Community Staff

DCI/IC 77-0832

24 June 1977

Mr. Frank T. McCarthy

STAT

Dear Mr. McCarthy:

Admiral Turner has requested that I respond for him to your very thoughtful letter of 14 June concerning a conceptual reorganization of the national intelligence community. As you may be aware, we are engaged in a complete examination of the mission and structure of U.S. intelligence.

The review is considering a wide variety of options and, not surprisingly, something not markedly different from the option you describe is part of the spectrum of options being considered.

As your letter clearly recognizes, there are pros and cons to the system you describe, just as there are to every proposal that involves reorganization and restructuring of a complex governmental arrangement.

Please be assured that those of us who are working on this matter appreciate the thought and attention you have given it and are grateful for your interest.

Sincerely,

/s/ JOHN N. McMAHON

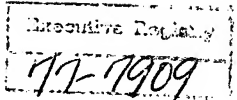
John N. McMahon
Acting Deputy to the DCI
for the Intelligence Community

EXECUTIVE REGISTRY FILE P 1.41.1

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(20 June 1977)

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Frank T. McCarthy
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14 June 1977

Admiral Stansfield Turner
Director, Central Intelligence Agency
Langley, Virginia 20505

Dear Admiral Turner:

As a concerned citizen, I would like to bring to your attention a conceptual reorganization of the national intelligence community which I formulated on my own initiative, in the fall of 1976. As a career military intelligence officer, I attempted to get this concept to higher levels through normal military channels but did not meet with the desired success.

The conclusions that were reached are as follows:

1. Due to increasing exploitation requirements and fixed levels of available resources, the reorganization of national intelligence resources should be considered seriously now since some reorganization will probably have to be resorted to in the next two to three years.

2. The discussion of the proposed concept has created the basis for examining in greater detail the feasibility of adopting a centralized national intelligence apparatus and raising the DCI to the cabinet level.

The problem, as I see it, that is currently facing the national intelligence community is simply stated: How can the present intelligence institutions, current technology and human resources best be utilized to obtain increased productivity levels which can reasonably be expected to be sufficient in responding to increased exploitation requirements over the next five years.

Several assumptions apply:

1. The redundancy in production resources and end products needs to be significantly reduced.

2. The intelligence effort is too widely dispersed and fragmented.

3. The Central Intelligence Agency - in name - has outlived its usefulness as an intelligence organization.

4. The establishment of a centralized intelligence activity should result in increased productivity.

5. A system of checks and balances in intelligence assessments is required only at the estimative level - not in current intelligence production activities.

Over the past three decades, few significant changes have been recorded in the national intelligence structure. Most changes have been cosmetic in nature - none have addressed organizational realignments to meet expanding requirements.

What has evolved are current intelligence elements in ten different federal agencies. The effects of these ten separate elements are:

1. Needless duplication in daily intelligence summaries.
2. Redundancy in current intelligence production which in turn leads to wasted manpower.
3. Unnecessary reiteration in intelligence management.
4. Heavy parochial orientation.
5. Intelligence effort too splintered and decentralized

This latter effect retards responsiveness and results in duplication of taskings for production and collection requirements which can lead to more wasted expenditure of manpower vis-a-vis establishing a necessary system of checks and balances.

In great contrast, centralization of the national intelligence effort will provide for:

1. A single tasking authority which will go a long way in eliminating duplication of effort.
2. More comprehensive and timely products
3. Reduce the number of similar daily intelligence summaries to one with tailored supplements to meet the community's varied interests.

4. Single positions responsible for quality control and direct responses in the functional areas of production, requirements, collection and support.

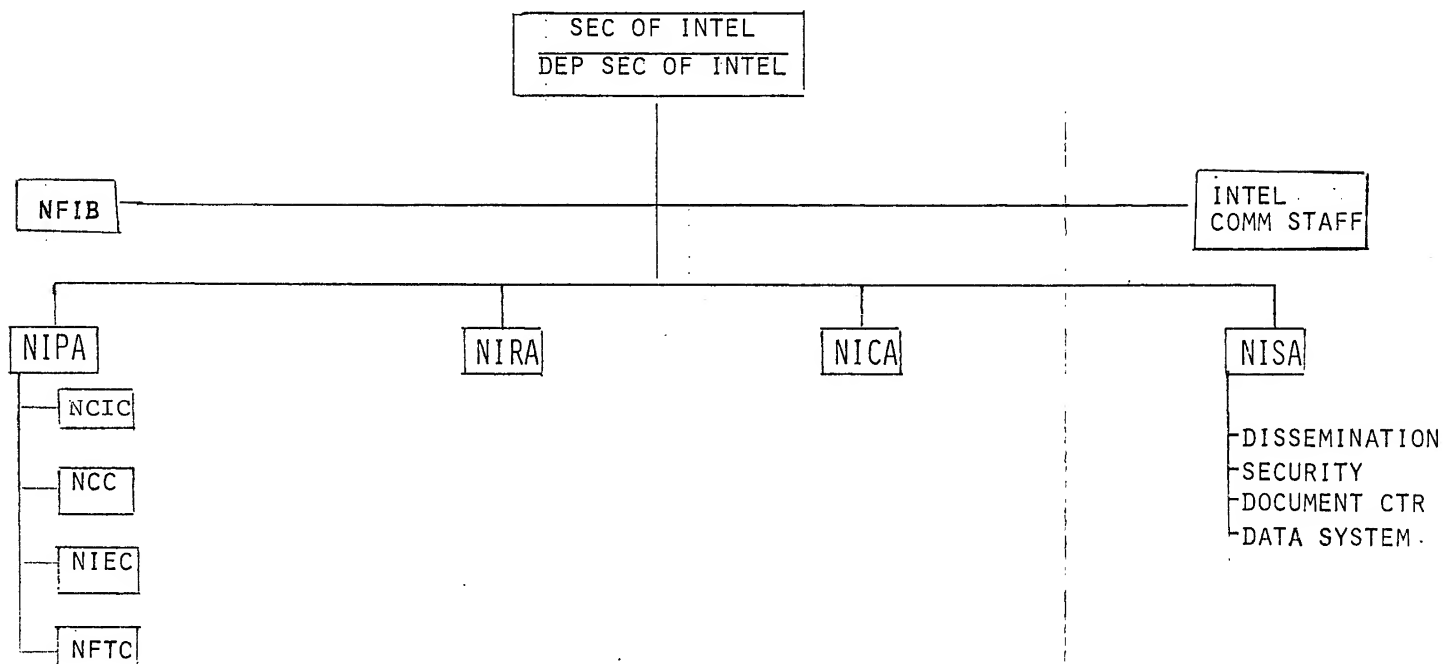
The spectre of single management of a centralized national intelligence effort raises the question: "How is objectivity to be maintained?" The unfortunate realities and distrust surrounding the national intelligence community today require that some system of checks and balances be built in to the organizational framework. The ten agencies presently involved in current intelligence activities would retain an estimative element which would make contributions to all national intelligence assessments which have an impact in their area of interest. Minority reports containing differing views, when formally advanced would be appended to national assessments so that the Executive and Legislative Branches of government would have access to all significant views on any given assessment.

Another matter which needs to be discussed is the future efficacy of CIA. Unfortunately through many instances in the past several years, CIA has become in name to represent a de facto liability to the United States and the national intelligence community. More often than not, when problems arise in a country, attribution to the source of the problem is inappropriately cast on the CIA. CIA in essence has become an established international scapegoat. So many members of congress hold the CIA in such great contempt, that President Carter was forced to pick an outsider as his DCI. All things considered, the name CIA or Central Intelligence Agency needs to be eliminated immediately. A mere renaming of the agency is not a solution at all - things would only get worse. The situation at CIA begs for a new national realignment along functional lines so that CIA elements would not be disbanded, but instead would retain as much organizational integrity as is possible to do so.

In reorganizing the national intelligence apparatus, a type organization as shown in Chart 1 is recommended (see page 4).

The DCI would be raised to cabinet level as the Secretary of Intelligence and would continue to receive guidance and intelligence objectives from the National Security Council. This will result in legitimizing the role of intelligence at the national level. The NFIB would be retained as it is presently constituted and the Intelligence Community Staff would be modified as needed to exercise staff supervision over the major Department of Intelligence (DOI) agencies. The agencies in chart 1 do not represent a complete graphic of DOI but those involved with the substantive intelligence function at the national level. The establishment of the DOI with its national agencies presupposes the disestablishment of DIA and CIA and melding of elements therefrom into the national agencies. See Chart 2 on page 5.

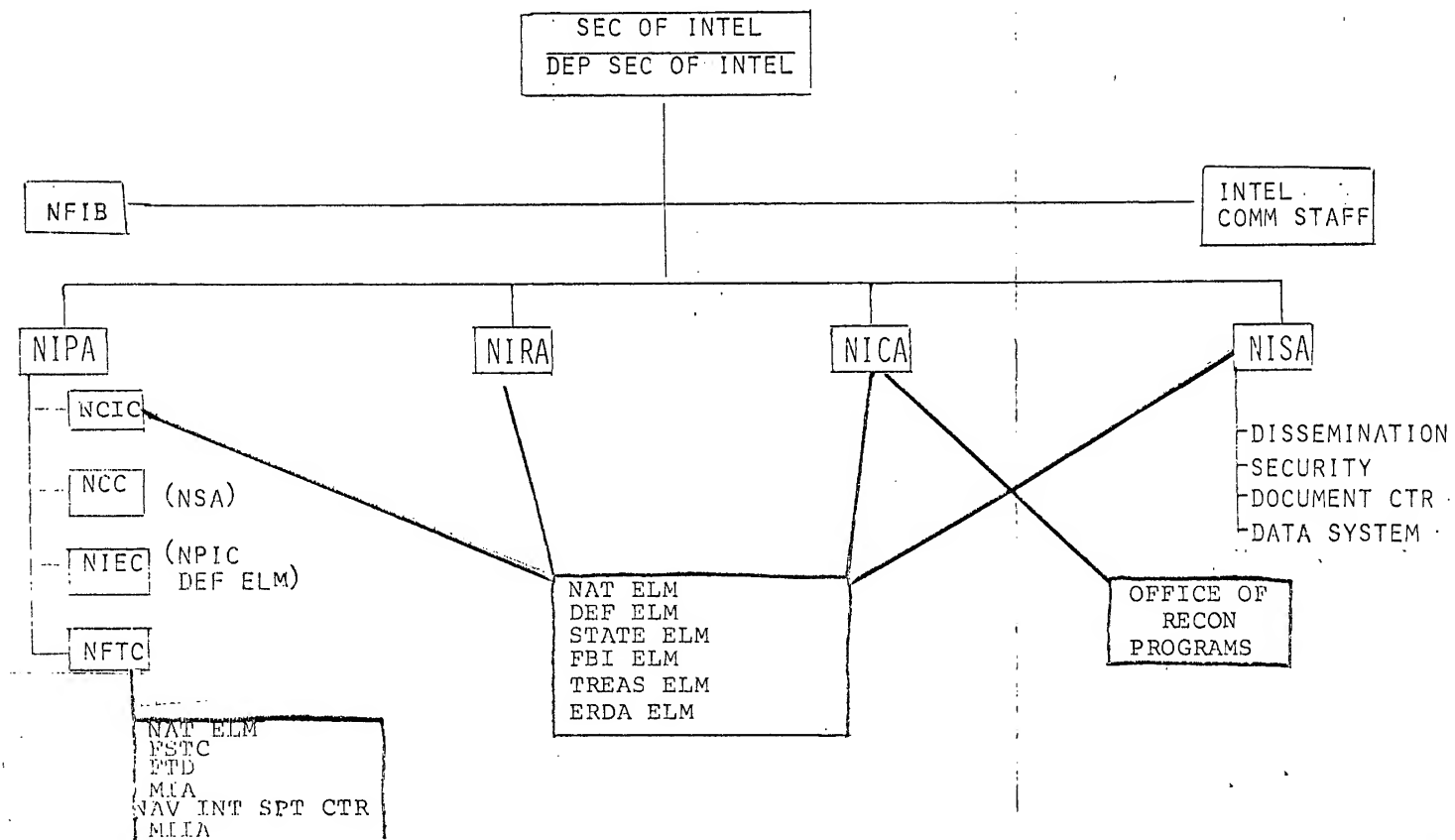
DEPARTMENT OF INTELLIGENCE



GLOSSARY

* NIPA-National Intelligence Production Agency
* NCIC-National Current Intelligence Center
* NCC-National Cryptologic Center
* NIEC-National Imagery Exploitation Center
* NFTC-National Foreign Technology Center
* NIRA-National Intelligence Requirements Agency
* NICA-National Intelligence Collection Agency
* NISA-National Intelligence Support Agency

DEPARTMENT OF INTELLIGENCE



Source: EOL1905 & Open Sources

The National Intelligence Production Agency (NIPA) would create a single office which would be responsible for all national consumer intelligence production requirements. The NCIC would for example, respond to current intelligence needs by producing a daily intelligence summary which could have several supplements which would be tailored to specific consumer requirements. With varied elements of the national community represented in the NCIC, a full understanding and responsiveness to specific consumer requirements would be established. The inclusion of the National Cryptologic Center under NIPA would place NSA in the production family where it belongs. The NPTC will result in a consolidation of national research and development intelligence components. This consolidation should be given serious consideration if the DOI concept is not accepted for further study.

The National Intelligence Requirements Agency will be the key to the success or failure of the DOI as an active national department. The function involved represents one of the weakest points in the intelligence community today. This agency will act as the single manager of intelligence requirements for all national consumers. An effective verification-prioritization-consolidation process should result in the highest degree of efficiency in tasking national intelligence producers (NIPA) and collectors (NICA). A most significant feature which is required throughout is a full understanding of: what does the consumer want? This understanding should be significantly reinforced by having representatives from the various consumers serving as NIRA staff members as well as staff members in the other major elements of the DOI.

The National Intelligence Collection Agency will place a single manager in charge of all overt and covert collection activities. Such an individual could respond directly to the Intelligence Oversight Committee on covert activities.

The National Intelligence Support Agency could bring into being a single manager of the dissemination process which could specify one secure communications mode and organization. In addition, data banks and retrieval systems could be standardized and hopefully one compatible data retrieval system could be established. One single manager of security and compartmented clearance would also help to establish uniformly simple access procedures and to eliminate needless overprotective practices. Other intelligence support services would also fall under the NISA.

The advantages for this reorganization are shown below:

1. Raises DCI to cabinet level
2. Centralization of specific functions will help in eliminating significant duplication of effort which currently exists.
3. Significant reduction in management overhead
4. Manpower savings in overall personnel requirements
5. Establishment of foundation for restoring credibility and dignity to intel community
6. Supports President Carter's aim of reducing governmental waste through reorganization
7. Provides increased efficiency and responsiveness
8. Retains an effective system of checks and balances through retaining estimative function in each principal consumer organization
9. Provides more meaningful role for intelligence community staff

The disadvantages to this reorganization are as follows:

1. Raises DCI to cabinet level - both a plus and a minus. This impacts on disposition of funding and personnel authorizations of covert activities.
2. Costly in terms of physical relocation of governmental elements.
3. Impact not completely spelled out
4. Centralization requires the development of a comprehensive, sophisticated, and bias free national intelligence apparatus
5. Causes a significant change in existing intelligence institutions
6. Problems inherent in joint community staffing

Overall, the intelligence community finds itself at the lowest ebb in years in terms of prestige and credibility and is faced with a significant challenge to maintain intelligence activities at effective levels over the coming years.

In the near term much can be accomplished in postulating a framework and a concept of operations which can adequately respond to the many challenges ahead. Many hard choices and difficult decisions devoid of partisanship or bias will have to be made to successfully meet these challenges successfully.

I hope that this paper provides some concepts which you find worthwhile and may wish to further pursue.

Sincerely yours,

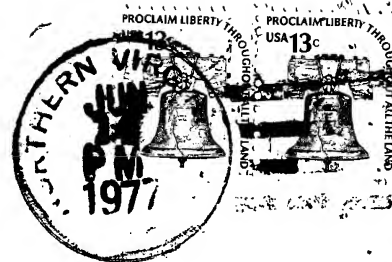


FRANK T. MCCARTHY

NOTE: A brief and general rundown on my credentials is on the following page.

Frank T. McCarthy

Admiral Stansfield Turner
Director, Central Intelligence Agency
Langley, Virginia 20505



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Remarks:

For direct response, perhaps by phoning him, unless you think DCI's personal acknowledgment appropriate.

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